

UNITED STATES DISTRICT COURT EASTERN DISTRICT OF LOUISIANA

BILL OF INFORMATION FOR VIOLATIONS OF THE OUTER CONTINENTAL SHELF LANDS ACT AND CLEAN WATER ACT

UNITED STATES OF AMERICA

CRIMINAL NO. 15-281

SECTION:

SECT. B MAG. 3

ENERGY RESOURCE TECHNOLOGY GOM, LLC

VIOLATIONS: 43 U.S.C. § 1350(c)(1)

33 U.S.C. § 1319(c)(4)

33 U.S.C. § 1319(c)(2)(A)

The United States Attorney charges that:

COUNT 1-VIOLATION OF THE OUTER CONTINENTAL SHELF LANDS ACT

A. <u>AT ALL TIMES MATERIAL HEREIN</u>

- 1. The Clean Water Act was enacted by Congress to restore and maintain the chemical, physical, and biological quality of the Nation's waters. 33 U.S.C. §1251(a). In addition, the Clean Water Act was enacted to prevent, reduce and eliminate water pollution in the United States and to conserve the waters of the United States for the protection and propagation of fish and aquatic life and wildlife, for recreational purposes, and for the use of such waters for public drinking water, agricultural, and industrial purposes. 33 U.S.C. §1252(a).
- 2. The Clean Water Act prohibits the discharge of oil in harmful quantities into waters of the United States or in connection with activities under the Outer Continental Shelf Lands Act or the Deepwater Port Act or that may affect natural resources belonging to,

appertaining to, or under the exclusive management authority of the United States, including those waters through the contiguous zone as far as 200 miles into the ocean, 33 U.S.C. §§ 1319(c)(1)(a), 1319(c)(2)(A) and 1321(b)(3).

- 3. Defendant ENERGY RESOURCE TECHNOLOGY GOM, LLC (ERT) operates oil and gas platforms on federal mineral leases in the Gulf of Mexico in the Eastern District of Louisiana and elsewhere.
- 4. **ERT** is required to conduct production operations on its oil and gas platforms in the Gulf of Mexico in accordance with a NPDES permit, GMG 290000, which imposes limitations upon the type and amount of pollutants that **ERT** is legally allowed to discharge into the Gulf of Mexico. Any discharges of pollutants outside of the allowances under the NPDES permit violate the Clean Water Act.
- 5. As required by the NPDES Permit, **ERT** is prohibited from introducing into the Gulf of Mexico produced water in which the oil and grease content exceed a monthly average of 29 mg/l. Produced water is that which is brought up from the hydrocarbon-bearing strata during the extraction of oil and gas, and can include formation water, injection water, oil and any chemicals added downhole or during the oil/water separation process.
- 6. **ERT** collects and submits monthly samples of its produced water to a laboratory for testing to determine whether the quantity of oil and grease contained in the produced water exceeds a monthly average of 29 mg/l, as required by its Permit.
- 7. **ERT** is also required to conduct its operations in accordance with the regulations promulgated under the Outer Continental Shelf Lands Act (OCSLA), Title 43, United States Code, Section 1331, et. seq. The regulations promulgated under OCSLA are designed, in part, to protect the environment and human health. One such regulation designed to protect the

environment and human health is found in Title 30, Code of Federal Regulations, Section 250.113(c)(4), and states that welding and associated activities, also known as hot work, on offshore facilities may not take place within 10 feet of a well bay unless production in that area is shut-in.

8. Regulations governing blowout preventer systems also are designed to protect the environment and human health. A blowout preventer system is designed to ensure well control and prevent potential release of oil and gas and possible loss of well control. According to the Code of Federal Regulations promulgated under OCSLA, the blowout preventer system must be pressure tested at regular intervals, and the entire system must pass the pressure tests prior to recommencing with operations. The results of the pressure testing, including any problems or irregularities observed during the testing and the actions taken to remedy the problems, must be recorded. According to the Code of Federal Regulations, the blowout preventer test record and pressure chart must be signed and dated by the on-site representative as correct. The blowout preventer pressure chart and records are required to be maintained on the platform for inspection by BSEE.

B. <u>VIOLATION OF OUTER CONTINENTAL SHELF LANDS ACT</u>

On or about November 26, 2012, defendant ERT, in connection with activities under the Outer Continental Shelf Lands Act and affecting natural resources belonging to, appertaining to, and under the exclusive management authority of the United States, on an oil production facility known as Ship Shoal 225 in the territorial jurisdiction of the Eastern District of Louisiana, through its agents and employees acting within the scope of their agency and employment and for the benefit of ERT, did knowingly and willfully fail to comply with the regulations issued under the Outer Continental Shelf Lands Act that were designed to protect the health, safety, and

the environment and conserve natural resources, to wit: ERT's agents on Ship Shoal 225 failed to comply with the regulations for hot work in violation of Title 30, Code of Federal Regulation, Section 250.113(c)(4), all in violation of Title 43, United States Code, Section 1350(c)(1).

COUNT TWO-VIOLATION OF THE OUTER CONTINENTAL SHELF LANDS ACT

A. <u>AT ALL TIMES MATERIAL HEREIN</u>

The allegations contained in Paragraphs 1-8 of Count 1 of this Bill of Information, as set forth above, are re-alleged and incorporated by reference as though set forth in their entirety herein.

B. <u>VIOLATION OF OUTER CONTINENTAL SHELF LANDS ACT</u>

On or about November 27, 2012, defendant ERT, in connection with activities under the Outer Continental Shelf Lands Act and affecting natural resources belonging to, appertaining to, and under the exclusive management authority of the United States, on an oil production facility known as Ship Shoal 225 in the territorial jurisdiction of the Eastern District of Louisiana, through its agents and employees acting within the scope of their agency and employment and for the benefit of ERT, did knowingly and willfully fail to comply with the regulations issued under the Outer Continental Shelf Lands Act that were designed to protect the health, safety, and the environment and conserve natural resources, to wit: ERT's agents on Ship Shoal 225 failed to comply with the regulations for blowout preventer testing in violation of Title 30, Code of Federal Regulation, Section 250.617, all in violation of Title 43, United States Code, Section 1350(c)(1).

COUNT THREE-CLEAN WATER ACT

A. AT ALL TIMES MATERIAL HEREIN

The allegations contained in Paragraphs 1-8 of Count 1 of this Bill of Information, as set

forth above, are re-alleged and incorporated by reference as though set forth in their entirety herein.

B. TAMPERING WITH A MONITORING METHOD

From on or about a date unknown to on or about March 2014, in connection with activities under the Outer Continental Shelf Lands Act and affecting natural resources belonging to, appertaining to, and under the exclusive management authority of the United States, ERT, by and through its agents and employees acting within the scope of their agency and employment and for the intended benefit of ERT, tampered with, falsified or rendered inaccurate a monitoring method required to be maintained under the Clean Water Act on nine of its offshore production platforms, to wit: ERT tampered with the method of collecting the monthly overboard discharge samples to be tested for oil and grease content pursuant to its NPDES permit; all in violation of Title 33, United States Code, Section 1319(c)(4).

COUNT FOUR-CLEAN WATER ACT

A. <u>AT ALL TIMES MATERIAL HEREIN</u>

The allegations contained in Paragraphs 1-8 of Count 1 of this Bill of Information, as set forth above, are re-alleged and incorporated by reference as though set forth in their entirety herein.

B. KNOWING DISCHARGE OF A POLLUTANT

On or about June 9, 2015, in connection with activities under the Outer Continental Shelf Lands Act and affecting natural resources belonging to, appertaining to, and under the exclusive management authority of the United States and in the navigable waters of the United States, ERT, by and through its agents and employees acting within the scope of their agency and employment and for the intended benefit of ERT, knowingly discharged and caused a discharge

of a pollutant from a point source into the Gulf of Mexico without a permit, in violation of Title 33, United States Code, Section 1319(c)(2)(A).

DUANE A. EVANS ATTORNEY FOR THE UNITED STATES Acting Under Authority Conferred by 28 U.S.C. § 515

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New Orleans, Louisiana November 30, 2015